

WTO High Level Symposium on Trade and Development

OPENING SESSION

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- On behalf of Ambassador Barshefsky and the U.S. team, we welcome the discussions on this important issue. We have circulated a statement from Ambassador Barshefsky and an information note on technical assistance in telecommunications for the benefit of delegations.
- When President Clinton was in Geneva in May, he outlined the U.S. vision for the trading system and argued that we need to look at new and innovative ways to address the problems of the economy of the 21st century.
- In calling for a round this year, the President rejected the business as usual approach—that is, the same type of negotiating round that has been agreed to in the past.
- The President's concept envisions three basic elements:
 - We need to set an accelerated agenda for negotiations and a work program;
 - We need to press on with institutional reform -- from transparency to capacity building -- to ensure that the WTO takes its rightful place in the constellation of international economic institutions that contribute to sustainable development; and
 - We need to ensure that the WTO remains an on-going forum for trade liberalization.
- Indeed, one of the reasons that we have adopted this tripartite approach is out of recognition of the development dimension.
- Trade is an integral part of our economy. Without question, the U.S. market has been critical to the continued growth of our trading partners' economies and has been the destination for a significant increase in exports from developing countries.
- The United States maintains one of the most open markets in the world. Our average tariff rate—bound and applied—is about three percent. Today, some 35% of our tariff lines are bound at zero and more than 70% of our tariff lines are bound at rates of duties of five percent or less. And we are ready to do more with our partners to expand market access in agriculture and industrial goods.
- We clearly don't see the forward agenda as having a north/south divide. Rather, we need to put together a manageable, common, and mutually beneficial agenda that is strongly supported by all countries and counterbalances calls for increased protectionism. There is

already consensus that we need to focus attention on implementation and the built-in agenda negotiations on agriculture and services. Now we need to see what other areas can be agreed on the basis of consensus.

- Some suggest that because of the financial crisis we need to slow down the liberalization and reform processes in the WTO. On the contrary, we need to press on, but we need to be clear about the content and direction of the work as we move forward and to hear one another, and we all need to keep our markets open and implement and enforce agreements.
- We share many of the concerns of our partners about the importance of implementation of existing agreements and agree that this must figure prominently in our discussions for the 3rd Ministerial Conference.
- Where implementation is a problem, we are ready to see what can be done on a case-by-case, issue by issue basis. The WTO agreement itself provides for circumstances when obligations need to be adjusted. Extending transitions en masse is not good for any country and threatens to bring down the entire system.
- In addition, we have an obligation to plan ahead and work through the issues that will confront the system in the next century. For example, investment and competition have been raised as issues -- we're still thinking ourselves about the best way to proceed. The work on e/commerce is clearly important in the development context. Do they all need to be negotiations, or do we provide for some on-going work?
- Second, we think that in addition to negotiations, we need to pay closer attention to some of the systemic and institutional questions that should improve participation in and bring greater benefits to all.
- It is in all of our interests to show our citizens that the WTO brings meaningful results and is accessible to all. We believe that making improvements to the Dispute Settlement Understanding, by July of this year is critical in this regard, particularly with respect to compliance and transparency.
 - Building capacity in developing countries to participate fully in the system is important. The proposal for the Advisory Center on WTO Law is an intriguing and positive idea. To be workable the entity must be separate and independent from the WTO. We also appreciate the incentives that have been built in against frivolous cases.

- We must address transparency, which has particular benefits for countries with fewer resources. Improvements that address public concerns about the WTO's role in the global economy are vital-- we have to think creatively about how we deal with the real concerns of NGO's and the perception that the WTO is hostile to the labor, environmental and development communities.
 - And, along with these important institutional improvements, we need to do more in directing the WTO to work with other international agencies to provide the right kind of technical assistance to our partners. This must extend beyond training in WTO agreements to institution building at home, including development of appropriate regulatory structures.
 - Finally, we need to show that the WTO is a result-oriented "can do" organization that delivers results for our citizens on an on-going basis.
 - The financial crisis has underscored the urgent need for all countries to create a more transparent procurement environment, where decisions are made on the basis of an agreed set of procedures which ensure that governments obtain the best value for their taxpayers' money. This has obvious development benefits. All governments share a common interest in inspiring confidence in their decisions and maximizing benefits for their citizens.
 - Agreement by Seattle to the accelerated tariff liberalization initiated at APEC will also create a momentum for new trade liberalization as part of the Round. We agree with our APEC partners, many of whom are developing countries that we should move forward now. We need to break away from the old thinking that once a round is launched all liberalization stops.
 - Last May we made real progress on e/commerce and we can and should continue that trend -- at a minimum by making permanent our agreement that electronic transmissions should be free of customs duties.
- We applaud the initiative undertaken by Egypt to focus the Committee on Trade and Development on this issue and how e/commerce rapidly facilitates economic development.
- We look forward to hearing your views on this important development dimension and to a productive exchange of views over the course of the next two days.
 - Finally, we agree that development strategies extend beyond trade, and I would note that yesterday President Clinton announced a plan that could result in \$70 billion in global debt relief.